



**Form M-2220**  
**Underpayment of Massachusetts**  
**Estimated Tax by Corporations**

2006

**Massachusetts**  
**Department of**  
**Revenue**

**Enclose this form with your return. Please print in ink or type.**

Name of corporation \_\_\_\_\_

Federal Identification number \_\_\_\_\_

Check type of return to be filed:  355  355C  355S  Other \_\_\_\_\_

**Figuring your underpayment.** See instructions.

**1** 2006 tax (from line 9, Forms 355 or 355C; line 12, Form 355S; or line 6, Form SBC). Commercial banks, insurance companies, and public service companies enter total excise due from return .....


**2** Enter 90% of line 1 .....

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**3** Enter 90% of 2006 tax using 2005 income apportionment percentage .....

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**4** Enter 2005 tax (from line 18, 2005 Forms 355 or 355C; line 21, 2005 Form 355S; or line 6, 2005 Form SBC). Large corporations or short taxable year corporations, see instructions .....

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**5** Enter line 2, 3 or 4, whichever is smallest .....

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**6** Enter in col's. a through d (respectively) the installment dates of the 15th day of the 3rd, 6th, 9th and 12th months of your taxable year ► 

<b>a</b>	<b>b</b>	<b>c</b>	<b>d</b>
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<b>a</b>	<b>b</b>	<b>c</b>	<b>d</b>
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**7** Enter in col. a line 5 × 40%

Enter in col. b line 5 × 25%

Enter in col. c line 5 × 25%

Enter in col. d line 5 × 10%.....

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If you are a new corporation,

check and see instructions.

**8** Amount paid or credited for each period.....

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**9** Overpayment of previous installment .....

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**10** Total. Add lines 8 and 9.....

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**11** Overpayment. Subtract line 7 from line 10 .....

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**12** Underpayment. Subtract line 10 from line 7 .....

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Complete reverse to calculate underpayment penalty.

## General Information

**Who should use this form.** Corporations taxed under Ch. 63 of the Massachusetts General Laws should use Form M-2220 to determine whether they paid the correct amount of estimated tax by the proper due date. If not, a penalty may be imposed on the underpayment amount.

**Short year.** Corporations are liable for estimated payments even if there was no return filed for 2005 or if a return filed for 2005 was for less than 12 months. Corporations meeting either of these conditions should enter the smaller of lines 2 or 3 in line 5. See Massachusetts Regulation 830 CMR 63B.2.2 for additional information.

**Large corporation.** Any corporation having \$1 million or more of federal taxable income in any of its three preceding taxable years (IRC Sec. 6655(g)) may **only** use its prior year tax liability to calculate its **first** quarterly estimated payment. Any reduction in the first installment payment must be added to the second installment payment.

**Note:** New corporations in their first full taxable year with less than 10 employees have lower payment percentages — 30-25-25-20%; 55-25-20%; and 80-20%. New corporations should check the box in line 7 and use these percentage amounts to complete line 7.

**Commercial banks, insurance companies and public service companies.** Enter in line 1 the **Total Excise Due** amount from the return being filed. Also, if an underpayment penalty is due, show this amount in the bottom margin of page 1 of your respective return as "underpayment penalty" and increase your total payment due or decrease excess payment to be refunded.

## Line Instructions

**Lines 7 through 12.** To determine the underpayment amount, complete lines 7 through 12 for each appropriate column. If line 11 shows an overpayment, that overpayment may first be used as a payment of any existing underpayment amount. Overpayments used as payments of prior underpayment amounts **do not** decrease the actual underpayment amount but serve to reduce instead the **period** of underpayment subject to penalty. If there are no existing underpayment amounts, the overpayment is applied as a credit against the next installment. If more than one payment is made for a given installment, attach separate computations for each payment.

## Figuring your underpayment penalty

	a	b	c	d
Enter same installment dates used in line 6..... ►				
<b>13</b> Amount of underpayment from line 12 .....				
<b>14</b> Enter the date of payment or the 15th day of the 3rd month after the close of the taxable year, whichever is earlier.....				
<b>15</b> Number of days from due date of installment to the date shown in line 14 .....				
<b>16</b> Number of days in line 15 after 3/15/06 and before 4/1/06 .....				
<b>17</b> Number of days in line 15 after 3/31/06 and before 7/1/06 .....				
<b>18</b> Number of days in line 15 after 6/30/06 and before 10/1/06 .....				
<b>19</b> Number of days in line 15 after 9/30/06 and before 1/1/07 .....				
<b>20</b> Number of days in line 15 after 12/31/06 and before 4/1/07 .....				
<b>21</b> Number of days in line 15 after 3/31/07 and before 7/1/07 .....				
<b>22</b> Number of days in line 15 after 6/30/07 and before 10/1/07 .....				
<b>23</b> Number of days in line 15 after 9/30/07 and before 1/1/08 .....				
<b>24</b> Number of days in line 15 after 12/31/07 and before 2/16/08 .....				
<b>25</b> Underpayment in line 13 × (number of days in line 16 ÷ 365) × 8% .....				
<b>26</b> Underpayment in line 13 × (number of days in line 17 ÷ 365) × 8% .....				
<b>27</b> Underpayment in line 13 × (number of days in line 18 ÷ 365) × 9% .....				
<b>28</b> Underpayment in line 13 × (number of days in line 19 ÷ 365) × 9% .....				
<b>29</b> Underpayment in line 13 × (number of days in line 20 ÷ 365) × 9% .....				
<b>30</b> Underpayment in line 13 × (number of days in line 21 ÷ 365) × *% .....				
<b>31</b> Underpayment in line 13 × (number of days in line 22 ÷ 365) × *% .....				
<b>32</b> Underpayment in line 13 × (number of days in line 23 ÷ 365) × *% .....				
<b>33</b> Underpayment in line 13 × (number of days in line 24 ÷ 365) × *% .....				
<b>34</b> Add lines 25 through 33 .....				
<b>35</b> Total of amounts shown in line 34. Enter this amount in line 20 of the excise calculation of Form 355 or Form 355C; line 23 of Form 355S; line 14 of Form 355SBC; or line 26 of Form 355SC .....	►			

\*Rate to be determined.